



NAVAL INVESTIGATIVE SERVICE

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IN REPLY REFER TO

NIS-09/bjs
3800
Ser U-0185
20 Jan 1976

MEMORANDUM FOR THE CHAIRMAN, SECURITY COMMITTEE, UNITED STATES
INTELLIGENCE BOARD

Subj: USIB policy paper on information release to contractors

Ref: (a) Your memo SECOM-D-132 of 8 Jan 1976

1. This responds to reference (a), which requested comments on an amended version of subject paper incorporating changes recommended by the Energy Research and Development Administration (ERDA) and others. The ERDA change, in footnote 1, page 1, would identify a class of facilities directly supporting ERDA's mission as meeting the tests of paragraph 5a(3) of DCID 1/7 for exemption from the dissemination restrictions inherent in the NOCONTRACT marking. The ERDA change would clearly support the purpose of that marking, which is to avoid serious impairment of continuing cooperation by private individuals providing foreign intelligence, by establishing a practical means of keeping the intelligence involved from actual or potential competitors. The Navy, and other Department of Defense components, has a situation comparable to that which ERDA seeks to meet by its suggested change. The Center for Naval Analyses (CNA), one of the several Federal Contract Research Centers (FCRC's), directly supports and serves as a normal extension of the Systems Analysis Division of the Office of the Chief of Naval Operations. Policy direction for CNA is provided by a council chaired by the Assistant Secretary of the Navy (Research and Development) with the several Deputy Chiefs of Naval Operations as members. The CNA is a non-profit organization, as are all the FCRC's. By any reasonable test, CNA cannot be considered as an actual or potential competitor of private individuals who provide intelligence, and therefore does not need to be classed as a contractor to satisfy the objectives sought by the NOCONTRACT marking. A slight revision to the ERDA change to footnote 1, page 1, of subject paper will accommodate the needs of ERDA and of the Military Departments in insuring that facilities which directly support their respective intelligence missions are not unduly restricted from access to necessary intelligence when such restriction is not necessary to serve the objectives of DCID 1/7. This change, set forth below, has been coordinated with the ERDA representative on the Security Committee. I concur in the subject paper circulated by reference (a) subject to revision of footnote 1, page 1, to read:



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"1/ General policy is set forth in DCID No. 1/7, 'Control of Dissemination of Foreign Intelligence,' approved 7 August 1975 (effective 5 October 1975). In accordance with paragraph 5a(3) of DCID 1/7, Government-owned laboratories, or facilities operated by a contractor as an extension of a department or agency represented on the USIB, and performing classified services in direct support of the intelligence mission of a USIB department or agency (including the Military Departments), and which are designated as authorized channels by the USIB Principal concerned, are not considered contractors for the purposes of this policy statement."



Donald Paschal
Navy Member
USIB Security Committee

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CNO (Op-009D, Op-009F)